



Verizon

Wholesale Services
Mail Code HQE02M51
600 Hidden Ridge
Irving, TX 75038-3897

May 17, 2002

Dear Customer:

Subject: Intercompany Record Exchange

There are a number of changes facing our industry today. Two significant changes being implemented September 1, 2002, will require our mutual cooperation to ensure the continuation of billing for jointly provided services. Both Order and Billing Forum (OBF) Issues 2056 and 2367 will change the call records utilized for billing. Verizon's approach to implementing these changes is described below:

OBF Issue 2056 & MECAB-007

As you may be aware, the resolution of the OBF Issue 2056 and associated MECAB-007 revisions call for the elimination of common minutes for facility-based LEC, CLEC and CMRS traffic and billing. As a result, the need for Initial Billing Company (IBC) and Secondary Billing Company (SBC) billing is no longer an industry requirement, thus carriers no longer need to exchange summary records. Each Company will bill from its own AMA records where available, and will require the receipt of 11-01-XX access usage records (in 11-01-XX EMI standard format records) for traffic not recorded by the billing company. Pursuant to OBF Issue 2056 (MECAB-007 revision), Verizon expects the appropriate exchange of access records for the billing scenarios listed below:

Tandem Routed Traffic - When Verizon Subtends Another Company's Tandem

For Verizon End Offices that subtend another company's Tandem, Verizon is expecting such companies to begin sending IXC and CLEC terminating 11-01-XX records to Verizon for usage beginning on September 1, 2002, if they are not already being sent. After August 31, 2002, Verizon will not return 11-50-XX summary records. However, beginning September 1, 2002, Verizon will provide your company with detailed 11-01-XX records for traffic originating from our end offices. We will not require the return of any records provided to you.

Tandem Routed Traffic - When Another Company Subtends Verizon's Tandem

In situations when your company subtends a Verizon tandem, Verizon intends to continue providing your company with detailed 11-01-XX records for terminating traffic after August 31, 2002. Similarly, Verizon expects to receive detailed 11-01-XX records for traffic originating from your company's end offices that subtend our tandem. We will not return these messages to you.

When Verizon Provides Only a Transiting Function

There are situations in which Verizon owns neither the tandem or end office, but provides only a transit function. In these cases, we would expect the company providing the first point of switching to transmit detailed 11-01-XX call records to us. For originating traffic, the first point of switching is the end office company; for terminating traffic the first point of switching is typically the tandem company for tandem routed traffic, and the end office company for end office direct routed traffic.

Pipeline Data at Conversion

In early September, Verizon will process all unbilled usage through August 31, 2002 and provide your company with 11-50-XX summary records for billing purposes. Any usage beginning September 1, 2002 will be provided as 11-01-XX access usage records (AURs) based on the scenarios described above. Verizon encourages all companies involved in the record exchange process to take steps to ensure that no unbilled usage records are dropped during the conversion process. We would expect all usage recorded through August 31, 2002 be flowed through the existing process.

New York Access Billing Pool

Verizon uses the New York Access Toll Pool (Pool) for billing. Accordingly, Verizon requests that your company send your originating 11-01-XX access detail records to the Pool. These records should be sent instead of the 11-50-XX summary records sent today. If your company utilizes the Pool today and you have notified Verizon of this arrangement, Verizon will continue to direct your terminating 11-01-XX access detail records to the Pool on your behalf.

OBF Issue 2367

OBF Issue 2367 establishes the "Sent to OCN" field (positions 187-190) within the 11-01-XX record. This field must be populated with the billing company's OCN (the Verizon OCN associated with the route).

* * * *

Verizon plans to implement the changes, effective September 1, 2002, consistent with OBF 2056 and 2367 rules and Verizon expects that your company will comply as well. If your company does not anticipate that it will be in compliance with these rules on September 1, 2002, please advise us by email at "implementobf2056@verizon.com" as this noncompliance will adversely affect Verizon's ability to appropriately bill for these types of calls.

Finally, it should be noted that Verizon is in the process of finalizing sales for local exchange service areas and facilities in the states of Alabama, Missouri and Kentucky. These sales are planned for completion prior to the September 1 implementation date of the OBF rules described in this letter. To the extent that such sales have been completed prior to September 1, 2002, there will no longer be any exchange of the records affected by the OBF rule changes between Verizon and your company in those areas.

We look forward to a smooth transition for this industry change. Working together, we can make it happen. If your company has any questions, please contact your Verizon Account Manager.